

The Financial Times of Indiana

Budget News from the Office of Governor Frank O'Bannon

Thursday, March 21, 2002

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The News in brief...

Using Build Indiana Fund for basic needs

Faced with a \$1.3 billion deficit and no help from the General Assembly to help correct that deficit, Governor O'Bannon this week said he would transfer to the General Fund \$332 million set aside for building and other projects throughout Indiana. The transfer would allow the Governor to use that money for basic state services and to minimize the need to cut education funding.

Most of the money to be transferred – \$247 million – will come from the Build Indiana Fund, a special account created by the General Assembly and funded with gaming revenue. In order to put this money toward state expenses other than their original purpose, State Auditor Connie Kay Nass, and Treasurer Tim Berry must agree to the transfer during a meeting of the State Board of Finance. Governor O'Bannon called on them both to attend a special meeting of the Board on April 8 and to agree to the transfers.

The Governor will use his executive authority to transfer another \$84 million from planned state and higher education projects into the General Fund. That transfer does not require Board of Finance approval.

All of the projects were “frozen” last year, when the Governor told legislators that unless they passed legislation to balance the budget, the projects would be in jeopardy.

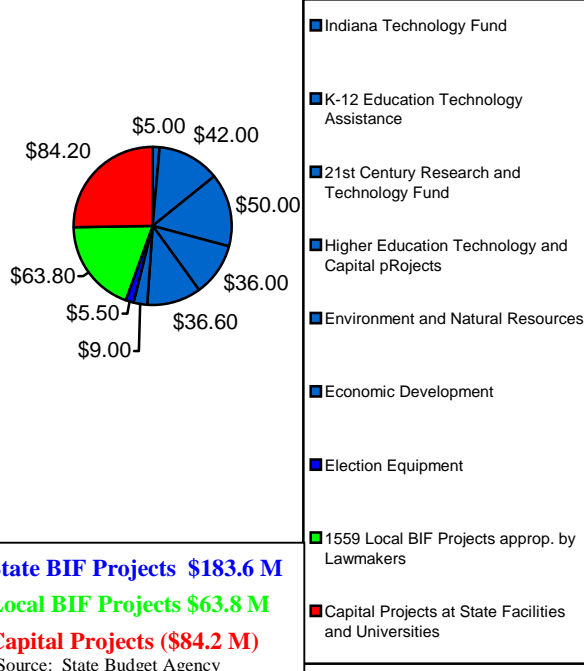
In announcing the transfers, the Governor said many of the projects are needed – and that he personally worked for some of them.

“If our budget is balanced and we have the resources, I will support them again,” he said. “We need to clean up our water systems to improve our quality of life. We need to encourage new jobs for our changing economy – both are elements that attract growth to Indiana.

“But as I have said before, **the most important economic development tool we have in Indiana is our schools.** Our children and our basic needs must come first.”

The Transfers:

*Build Indiana Funds and Capital Projects
(2001-2003, in millions)



What People Are Saying

“The Governor made the right call in eliminating Build Indiana funding.” – Indianapolis Star 3-21-02

<http://www.starnews.com/article.php?editcuts21.html>

“If that is what needs to be done, I can live with it. I don’t want to see any cuts in education or other programs – State Representative Tiny Adams Muncie Star Press 3-21-02

<http://www.thestarpress.com/tsp/news/local/02/mar/0321buildind.php>

“Gov. Frank O'Bannon was right Wednesday when he removed funding for Build Indiana Fund projects to fund government operations.” Times of Northwest Indiana 3-21-02

Can the projects be restored?

In a word, yes. But **only** if the state’s budget is balanced and there are resources to pay for the projects. Governor O'Bannon supported funding for projects that create high-tech jobs, clean up water systems and enhance technology because they help move Indiana forward. Other projects that support local needs are important, too, he said.

“They need to be done. But they are extras – projects that can be funded in better economic times when the budget is balanced. Right now we need the money for basics,” he said.

Build Indiana Fund now Protect Indiana Schools Fund

Highlights of local project funding to be transferred to essential services
[Click here for a complete list of state and local Build Indiana Fund Projects for the 2001-2003 Biennium](#)

Volunteer fire department equipment
Industrial park and county infrastructure
Youth programs
Playground equipment
Wastewater projects
Nature trails, parks and historic preservation projects
Local police department programs
Books for libraries
Food pantries and homeless services programs
Domestic violence shelter
Baseball/softball/football/soccer programs